

Ash Creek SSD

Board Meeting

March 24, 2022

Present: Richard Hirschi, Kelly Wilson, Justin Sip, Nanette Billings, David Hirschi and Keen Ellsworth.

Staff: Michael Chandler, Fay Reber, Matt Goodrich, Darrel Humphries, Abby Pulsipher, Kim Spendlove, Logan Murphy, and Gary Wilcox,

Audience: Mark Anderson, and Yvonne Spendlove

Prayer and Pledge: Darrel Humphries

Public comments: None

The minutes from the February 24, 2022, meeting were discussed.

**Motion** by Justin Sip to approve the February 24, 2022. Second by Nannette Billings. Motion carried by unanimous vote.

Mike talked about the resolution that has been signed by apple valley. They have approved the agreement requesting annexation to the county commission. The district would need to also agree to the annexation. After all the details are worked out, it would be up to the county commission to make the annexation final. Kelly asked if they would start paying a monthly fee as soon as the annexation was completed. Mike said when the community systems are completed the people in those developments will start paying a monthly fee and an impact fee. Mike would like to keep all of the district fees the same for each of the communities. There wouldn't be any income from current homes only new subdivision that build their own treatment systems. Fay gave a history about the agreements the district made with the three original communities when it was created. He thought some of those same agreements needed to be made with Apple Valley before the annexation became complete. Mike talked about how he thought the growth in these outlying areas would happen. Mayor Billings felt like Apple Valley along with Virgin and Leeds needed to find a solution to wastewater if they wanted to have affordable housing. The board talked about how many board members joining cities would be granted. Mike thought one elected mayor or city council member for each city would be the most he would want to see join the board. Having more than that would make the board too large to get together. Fay read the language of the agreement to the board. Adopting the resolution would not commit the district to the annexation until all the details are worked out.

**Motion** by Keen Ellsworth to adopt the resolution with Apple Valley to start the annexation process. Second by Justin Sip. Motion carried by unanimous vote.

Mike and Mark Anderson from Zions Bank discussed a parameters resolution for the confluence park bonding. Mark talked about what was happening in the bond market. The Fed has just completed their first interest rate increase 10 days before. The parameters resolution does not bind the district to borrowing the money but sets the standards for bonding and interest rate. He felt that rates will continue to rise and the sooner the debt was issued the better. He said every quarter percent raised would be an additional \$800,000.00 in interest payments on a 25 year bond for \$30,000,000.00. The parameters of this bond would be for a maximum of 30 years, \$30,000,000.00, 5% interest, and 2% Discount. It also sets out the people who could make

decisions about the bonding. The Board would need to have a public hearing adopting the bond before it could be sold. Mark thought it could be done at the next meeting. Justin asked how long it would take to be issued. Mark said it could be done as quickly as 60 days. Mark talked about monthly fees needing to be high enough to show investors the district would not have a problem paying off the bond. Mike talked about using some of the reserve money for the project and setting some aside as a dept reserve. The board asked how they knew it would stay under the 5% interest. Mark said the market would have to go crazy for the rate to go over 5% by the time we closed on the bond. Nanette asked what the monthly fee would need to make sure we would have the income to pay back the bond. Mike said the Bowan Collins study should be ready by the next meeting showing what the district's fees would need to be. They will work with Mark to make sure the bond payment is included in the monthly fee to cover both operation and debt payment. Mike thought the district could be in the same situation in 7-10 years when a treatment plant in Hurricane needed to be built.

**Motion** by Justin Sip to approve the approve the parameters resolution of not more than \$30,000,000.00 bonded, 5% interest, 30 years payment, and 2% discount. Second by Nanette Billings. Motion carried by unanimous vote.

Mike introduced Abby Pulsipher. She has been hired to help in the front office and will be taking minutes.

Mike reminded the board about the State Auditor's board training and invited them to attend the UWA conference in April if they were interested.

The board talked about some of the projects and manholes required on regional sewer lines.

Motion to adjourn was made at 7:18